REMARKS

Applicant respectfully requests reconsideration and continued examination in view of the amendment and the following remarks. Claims 1-29 are pending in this application.

1. Prior Art Rejections

The Examiner rejected claims 1-3, 5, 6, and 9-20 as being unpatentable over German Patent No. 2,844,242 to Ausrus in view of U.S. Patent No. 5,278,396 to McGaha. Additionally, claims 4, 7, and 8 are rejected as being unpatentable over Ausrus in view of McGaha, and further in view of U.S. Patent No. 5,109,153 to of Johnsen et al. ("Johnsen").

2. 35 U.S.C. 103(a) Rejections

I. Rejection of Claims 1-3, 5, 6, and 9-20

Claims 1-3, 5, 6, and 9-20 were rejected as being obvious over Ausrus in view of McGaha. The Examiner admits Ausrus does not teach or suggest a return station at a different location from the point of sale station having a detecting device for detecting post-purchase indicia, but attempts to combine the teachings of McGaha to fill in the deficiency of Ausrus.

The combination of Ausrus and McGaha to reject claims 1-3, 5, 6, and 9-20 is wholly improper because "references cannot be combined where the references teach away from their combination." *See* MPEP 2145. Clearly, both Ausrus and McGaha teach away from the combination of the references.

McGaha discloses a retail checkout apparatus which, in one embodiment, prints a receipt having purchase information, such as date, time, and store location, directly printed on or encoded on the receipt. The receipt may be thereafter scanned when returned to validate the return. See McGaha, col. 3, line 47 to col. 4, line 3. Thus, McGaha clearly teaches away

from the present invention and its combination with Ausrus. McGaha requires a second article, such as a receipt, to be printed and affixed to the product. McGaha is wholly silent as to analyzing the original label upon the return of the merchandise to determine whether a point of sale post-purchase indicia has been added to the original label as in the claimed invention. Teaching away is a *per se* demonstration of lack of prima facie obviousness. *In re Dow Chemical Co.*, 837 F.2d 469 (Fed. Cir. 1988). Moreover, a reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be led in a direction divergent from the path that was taken by the applicant. *Tec Air, Inc., v. Denso Mfg. Mich. Inc.*, 192 F.3d 1353, 1360 (Fed. Cir. 1999). McGaha would clearly lead one skilled in the art in a direction divergent from the present invention.

In particular, upon a full and fair objective consideration of the complete teaching of McGaha, one skilled in the art would be taught away from encoding the original label with a machine-readable indicia. There is no suggestion whatsoever in McGaha that the information provided on the receipt could be provided on the label associated with the retail item. One skilled in the art would believe in view of the McGaha reference that a second article, i.e. a receipt, would need to be created to provide additional information related to the purchase of a retail item. Therefore, McGaha teaches away from its combination with Ausrus.

Furthermore, Ausrus discloses a fraud prevention system which merely ascertains whether or not an item has been purchased, and provides no further information. As such, Ausrus is a standard anti-theft device as is often seen at libraries, department stores, and the like, which only monitors whether an individual has purchased an item as they walk out the store's door. Ausrus is therefore only concerned with analyzing the label upon removal of the retail item from a premises and further teaches away from analyzing an encoded item upon return of the item to the premises. Upon a

reading of Ausrus, one skilled in the art would be steered away from seeking a reference wherein a label is analyzed for the detection of a post-purchase indicia upon return of the item. Accordingly, claims 1-3, 5, 6, and 9-20 are patentable over Ausrus in view of McGaha because it is improper to combine references where the references teach away from the combination.

Moreover, the present invention is not obvious over Ausrus in view of McGaha because McGaha clearly teaches away from the claimed invention. Teaching away is a *per se* demonstration of lack of prima facie obviousness. *In re Dow Chemical Co.*, 837 F.2d 469 (Fed. Cir. 1988). A reference may be said to teach away when a person of ordinary skill, upon reading the reference, would be led in a direction divergent from the path that was taken by the applicant. *Tec Air, Inc., v. Denso Mfg. Mich. Inc.*, 192 F.3d 1353, 1360 (Fed. Cir. 1999). In McGaha, the original label associated with the article is scanned by the apparatus of McGaha to produce a wholly separate article, i.e., a receipt, having a bar code including sales information or other alphanumerically bearing printed sales information. Thus, McGaha clearly teaches away from the present invention where an original label associated with the item is encoded with a post-purchase machine-readable indicia by requiring a separate receipt to be printed. One skilled in the art would believe in view of the McGaha reference that a second label would need to be created to provide additional information related to the purchase of a retail item. Therefore, McGaha teaches away from the claimed invention.

II. **Rejection of Claims 10 and 20**

Moreover, claims 10 and 20 are not obvious over Ausrus in view of McGaha. Neither reference alone or in combination teaches or suggests a detector which removes a machine-readable post-purchase indicia after a refund is given to a customer. As discussed above, Ausrus is wholly unconcerned with analyzing the label of a retail item for a machine-readable

post-purchase indicia upon return of the item. Thus, Ausrus has no teaching whatsoever of a detector which removes a machine-readable post-purchase indicia after a refund is given to a customer. Moreover, McGaha only teaches a receipt which provides sale information in alphanumeric form or encoded as a bar code. There is no disclosure whatsoever in McGaha as to a detector which removes a machine-readable post-purchase indicia after a refund is given to a customer. The Examiner implicitly admits Ausrus and McGaha lack any such teaching by concluding that that "once the returned items are verified to be in condition for re-circulation, erasing the code would have been obvious so that the item could be properly processed and made available for sale." Thus, it is apparent that the Examiner is making his own conclusions about what is in the prior art. This is a wholly improper basis for a rejection. Moreover, the Examiner cannot take official notice of what is not taught or suggested by the prior art. Accordingly, Applicant submits claims 10 and 20 are patentable over Ausrus in view of McGaha.

III. **Rejection of Claims 4, 7, and 8**

Further, the Examiner rejected claims 4, 7, and 8 under 35 U.S.C. 103(a) as being unpatentable over Ausrus in view of McGaha and further in view of Johnsen. The Examiner contends that the alleged combination of Ausrus and McGaha fails to teach or suggest that the post-purchase indicia is visible under infrared light or ultraviolet radiation. To fill in this deficiency, the Examiner asserts that Johnsen discloses a bar label having a bar code and a label which becomes visible when exposed to infrared light. Thus, the Examiner concludes that it would have been obvious for a person of ordinary skill at the time the invention was made to modify the system of Ausrus as modified by McGaha so that the bar code is invisible to provide additional security.

Applicant respectfully disagrees with the Examiner's position. As discussed above, Ausrus and McGaha teach away from their combination. Further, Johnsen teaches away from its combination with Ausrus and McGaha.

Johnsen, like Ausrus and McGaha, is substantially different from the present invention. Johnsen is merely concerned with producing a human readable "void" indicia on articles such as checks, currency, stock certificates, and the like by the application of radiant energy. In particular, Johnsen teaches a coupon or the like which has on its printed surface a coating of material peculiarly responsive to a form of radiant energy. Johnsen, col. 3, lines 23-26. The coupon may then be irradiated when used by radiant energy to provide a human readable "void" indicia or other visible reading on the face of the coupon to indicate the coupon is no longer valid or usable. Since the invention of Johnsen is directed to providing a simple, visible indication that the item (coupon, check, etc.) is no longer valid, Johnsen has absolutely no disclosure or suggestion as to a label associated with an item which is meant to be encoded with a machine-readable indicia at the time of purchase and thereafter analyzed upon return of the item for the indicia. Therefore, the teachings of Johnsen would lead one skilled in the art away from providing a label associated with a retail item, a point of sale station having a point of sale encoding device for the label, and a return station at a different location of the point of sale station and having a detecting device for analyzing the label.

III. **Rejection of Claims 21-29**

Further, claims 21-29 were rejected under 35 U.S.C. 103(a) as being unpatentable over Ausrus in view of McGaha, and further in view of U.S. Patent No. 6,830,191 to Bennett (Bennett). The Examiner admits Ausrus as modified by McGaha fails to disclose or fairly suggest a radiofrequency indicia

having a memory means, micro-processing means, wherein the encoding is done by a radiofrequency encoding device. However, the Examiner contends that Bennett discloses a combined optical and radiofrequency tag reader comprising a carrier having a bar code 50 and a radiofrequency tag, wherein the tag includes a storage element 68 and a processing circuit 64.

First, claims 21-29 are patentable over Ausrus in view of McGaha because there is no teaching or suggestion to combine the teachings of Ausrus and McGaha as the Examiner has done to reject claims 1 and 14, upon which claims 21-29 depend.

Further, there is no teaching or suggestion in any of Bennett, McGaha, and Ausrus to combine the references as the Examiner has done to reject claims 21-29. Bennett teaches a system and method having a bar code and a radiofrequency tag which are placed on goods or on a carrier unit for the goods for quick determination of the content of the goods. The bar code may be scanned by a reader device to generate a first set of information associated with the bar code. A radiofrequency tag may be scanned by the reader device, based on the information obtained from the bar code, to provide more detailed information about the goods. *See* Abstract of Bennett. Bennett, however, does not teach or suggest the desirability of encoding an original device with information by radiofrequency upon purchasing of an original item and thereafter analyzing the label by radiofrequency to determine whether the machine-readable post-purchase indicia is present. Thus, Bennett further does not provide any motivation or suggestion for combining the references of Bennett, McGaha, and Ausrus to reject the present claims.

In view of the foregoing remarks, Applicant respectfully submits that claims 1-29 recite patentable subject matter over the prior art and requests that the prior art rejections be withdrawn.

CONCLUSION

In view of the foregoing, claims 1-29 are allowable and an early indication of allowance is solicited.

Respectfully submitted,

James D. Ryndak
Registration No. 36,024
Attorney for Applicant

Date: March 28, 2005

RYNDAK & SURI
30 N. LaSalle Street
Suite 2630
Chicago, IL 60602
(312) 214-7770

This Page is Inserted by IFW Indexing and Scanning Operations and is not part of the Official Record

BEST AVAILABLE IMAGES

Defective images within this document are accurate representations of the original documents submitted by the applicant.

Defects in the images include but are not limited to the items checked:

- ☒ BLACK BORDERS
- ☐ IMAGE CUT OFF AT TOP, BOTTOM OR SIDES
- ☐ FADED TEXT OR DRAWING
- ☒ BLURRED OR ILLEGIBLE TEXT OR DRAWING
- ☐ SKEWED/SLANTED IMAGES
- ☐ COLOR OR BLACK AND WHITE PHOTOGRAPHS
- ☐ GRAY SCALE DOCUMENTS
- ☒ LINES OR MARKS ON ORIGINAL DOCUMENT
- ☐ REFERENCE(S) OR EXHIBIT(S) SUBMITTED ARE POOR QUALITY
- ☐ OTHER: _____

IMAGES ARE BEST AVAILABLE COPY.
As rescanning these documents will not correct the image problems checked, please do not report these problems to the IFW Image Problem Mailbox.